

DUKE ENERGY CAROLINAS

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April 16, 2007

The Honorable Charles Terreni Chief Clerk and Administrator The Public Service Commission of South Carolina P. O. Drawer 11649 Columbia, South Carolina 29211

RE: Schedule HP Flex (SC), Hourly Pricing Flexible Baseline (Pilot) and

Rider NL (SC), Economic Development for New Load (Pilot)

Docket No. 2005-48-E, Order No. 2005-170 Request to Cancel Pilot Rate Schedules

Dear Mr. Terreni:

In its Order No. 2005-170 in the above-referenced docket, the Commission approved Schedule HP-Flex (SC) Hourly Pricing, Flexible Baseline (Pilot) and Rider NL (SC) Economic Development for New Load (Pilot) for the period April 7, 2005, through December 31, 2007. Duke Energy Carolinas, LLC ("Duke Energy Carolinas") requests Commission approval to close this pilot rate and rider prior to the current expiration date.

Duke Energy Carolinas developed and offered this rate schedule and rider to provide additional options for customers. Since its implementation Duke Energy Carolinas has provided service under the HP-Flex rate schedule to one customer during the period July 2005-May 2006. No customers have been served under Rider NL. Because there is no customer interest in these rates currently, Duke Energy Carolinas proposes to cancel Schedule HP-Flex and Rider NL prior to the scheduled expiration date of December 31, 2007, effective upon Commission order.

Sincerely,

Catherine E. Heigel

Lara Simmons Nichols Associate General Counsel

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cc: Dan F. Arnett, Chief of Staff

South Carolina Office of Regulatory Staff

